

## **COMMUNITY BUSINESS ATTRACTION AND ANTI-PIRACY COMPACT**

This agreement is made this \_\_\_\_ day of \_\_\_\_\_, 2013 by and between the City of Iowa City, the City of Coralville, and the City of North Liberty (hereinafter "Participants" or "Participating Communities").

### **PURPOSE**

The communities of Iowa City, Coralville, and North Liberty join in the prospect of encouraging economic development within their own jurisdictions and throughout the region. Working together, these communities seek to highlight the region's strengths and focus on maintaining an attractive environment for business growth and expansion. The participants seek to expand business opportunities within their own boundaries, but do not wish to do so at the expense of those participating in this compact. Inevitably, for various reasons, businesses may seek to migrate from one jurisdiction to another. In such cases, this compact outlines protocols that seek to enhance communication and promote equity between participants in this agreement. Without an expressed, self-initiated interest in relocation, participants agree that actively pursuing or "pirating" businesses to migrate from one participating community to another should be prohibited and practices of performing such actions restricted. The purpose of this compact is to:

1. Establish and facilitate interactions between participants to promote economic development in the region;
2. Establish a point of contact within each jurisdiction for representation of economic development matters;
3. Express commitment from participants that they will not actively pursue the relocation of a business that has not indicated an interest in moving from one participating community to another; and
4. Establish protocols that balance the interests of the business' home community and other participating communities held in this compact.

### **Protocols/Principles**

In the interest of promoting economic well-being and growth of our communities, we, the undersigned, agree to the following protocols and principles (the "Compact"):

#### **Principle 1: Business Attraction and Retention**

The regional economy will grow stronger and more attractive for business growth if communities work together on economic development rather than against one another. The participants in this compact seek to grow the regional economy knowing that regional growth will translate into jurisdictional growth. The participants in this compact are committed to attracting new business, the retention or expansion of existing business, and the promotion of their communities as good places for business. While business migration will occur, the participants are dedicated to refraining from activities and encouragement of business migration from one compact community to another.

## **Principle 2: Active Pursuit/Pirating of Businesses**

Participants agree that where a business has not taken the initiative to express an interest in moving from one compact community to another, participants will not actively pursue that business to encourage it to relocate. "Actively pursue" means to initiate contact with the business directly, with the intent of luring the business through cold calls, visits, mail solicitations, marketing, or through a third party. This does not preclude compact communities from marketing themselves as a good place to do business or generally promoting the benefits of starting, expanding, or locating a business in their home community.

### **Protocol 1: Business Considering Relocation**

The following protocol applies to all businesses. In the event such a business residing in a different compact community ("the home community") contacts the mayor, city manager, staff person, or person(s) in charge of economic development at another community ("the contacted community"), either directly or through a representative, to discuss possible relocation, we agree to the following protocol:

- a. The contacted community will advise the business that it wants to assist the business so that it is successful.
- b. The contacted community will ask the business whether it has advised the home community that it is considering relocation, and if not, whether it objects to the contacted community advising the home community of the inquiry.
- c. If the home community has not been advised and the business does not object, the contacted community will promptly notify the point of contact from the home community in writing of the inquiry.
- d. Participants will not propose or offer incentives to the business in support of its relocation until either the business verifies in writing that it has notified the home community of the possible relocation or the contacted community has given that notice.
- e. The contacted community will advise the business, if asked, that the contacted community shall condition the awarding of incentives and assistance on the receipt of consent from the community in which the business is currently located.
- f. Participants will discuss possible relocations or expansions with local government representatives designated to manage economic development matters of the affected home community, if asked by those officials.

#### **Protocol 2: Business Considering Consolidation**

In the event a business with operations in one or more compact communities contacts a participating community to indicate that it is considering consolidating its operations in the contacted community, that community shall treat the situation as it would a potential relocation and adhere to Protocol 1.

#### **Protocol 3: Business Relocation to a Non-Compact Community**

In the event that participating communities learn of a business considering relocation or consolidating operations from a compact community to a non-compact community, it will be the responsibility of those participating communities to inform compact members of such.

#### **Addition of Participants**

The participants strongly encourage other communities within the region to join this agreement. Upon request the participants will consider the addition of other participating communities.

#### **Term**

The compact shall remain in effect until terminated in accordance with subparagraph (a) of the General Provisions below.

#### **Non-Substitution (updated as of 9/25/12)**

This agreement shall not constitute a "written agreement concerning the general use of economic incentives to attract commercial or industrial development" for purposes of Iowa Code section 403.19(9)(a)(1).

#### **General Provisions**

- a. **Termination:** This compact may be terminated in its entirety by the mutual written agreement of all participating communities. In the event a participating community wishes to terminate its participation, it shall provide a notice of intent to terminate to participating communities. Such termination shall be effective as of the date stated on such a notice. In the event only one participating community remains the agreement shall terminate.
- b. **Amendment or Modification:** This compact may be amended or modified by the participating communities, provided that any such modification or amendment shall only be effective upon written agreement of all participating communities.
- c. **Capacity to Execute:** The undersigned hereby certifies that all actions necessary to execute this compact were taken, and the person executing this compact is authorized to do so and has the power to bind the jurisdiction to the terms and conditions herein.
- d. **No Third-party Beneficiaries:** This agreement is not intended to benefit any person or entity not a party to this agreement and shall not be construed to do so.
- e. **No Agency Relationship:** Nothing herein creates an agency relationship between the participants and nothing herein authorizes one participant to act as an agent of another participant or participants.

**Signatures**

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Thomas Markus, City of Iowa City

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Kelly Hayworth, City of Coralville

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Ryan Heiar, City of North Liberty